

CENTRAL INTELLIGENCE AGENCY

INFORMATION REPORT

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REPORT

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1. Diesel Engine Factory at Gsepel

- a. The Autogyár factory, manufacturing diesel engines, was built in 1948 on the island of Gsepel. It employs 4,000-5,000 workers and manufactures two sizes of diesel engines i.e. 80 h.p. engines for three-ton trucks and 128 h.p. engines for five-ton trucks. The assembly of the trucks, both three and five-ton, and the manufacturing and testing of the diesel motors is carried out in this plant. At one stage it was believed to be turning out 3,000 three-ton trucks per year.
- b. The plant consists of many small buildings scattered over an area approximately two kilometers from the radio station on Gsepel island. In 1950 two or three larger buildings were constructed underground; the testing of the diesel engines is carried out here. Steam power and electricity are the sources of power. The buildings are connected by a railway system; it is believed that there has been considerable expansion both of the buildings and of the railway in 1952. All visitors to the factory are escorted and security precautions are stringent.
- c. The general manager of Autogyár is a woman, the Russian sister-in-law of Rakosi. She is reported to visit Moscow frequently and to be an efficient administrator.
- d. Workmen in the factory receive an average monthly wage of 700-800 forints. Engineers and skilled workers receive wages ranging from 1,500 - 2,500 forints monthly. Workers are frequently required to work overtime and the level of the norm is from time to time increased e.g. if the workers succeed in increasing their output by 10% on the promise of a bonus, a new norm of 110% is set thereafter for the same rate of pay as before. A system of fines is in operation under which workmen are penalized financially for faults in work or for delays in delivery.

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- e. There are Russian technical experts in the factory; no details of them, however, are known.
- f. Quotas of production are never filled. In principle, trucks produced are either used in Hungary or dispatched to Russia. Poland, however, received a large consignment (numbers unknown) in 1950. Demands for raw materials have to be made by the factory every quarter; they are rarely met in full. In November 1952 a bid was made for the first quarter of 1953 by a factory (name unknown) making injection pumps for diesels, for 15,000 kg. of special steel. No more than 250 kg. of the special steel were allotted to the factory.
- g. Autogyar is connected with the following installations:
 - 1) Dicsgyar where another plant manufactures certain parts of diesel engines, e.g. main shafts and connecting rods. These are sent to Autogyar for assembly.
 - 2) G8d8118 where another plant produces the chassis and bodywork for the trucks. These are also supplied to Autogyar for final assembly.

2. Mogurt

- a. This is the central purchasing office for foreign trade for the motorcar industry. It has since 1950 handled all orders for abroad. Before that, in 1948 and 1949 NIK, the purchasing agency for heavy industry, handled such orders.
- b. The financing orders from abroad, in the days when it was still possible to obtain private import licenses, was conducted through the National Bank (Nemzeti Bank) of Hungary, to whom Hungarian importers paid the value of the goods in forints. Now, however, Mogurt carries out these payments and imports on behalf of the industry it represents.

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3. Survey of Firms with Connections Abroad

In November-December 1952 firms in Hungary with connections abroad i.e. those which had in the past imported goods from other countries, were required to complete a questionnaire consisting of forty three questions calling for full details on foreign firms with whom they were in correspondence, reasons for maintaining the connection, etc. It is not known whether this was the first time such a questionnaire was issued.

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